



## **JUST THE FACTS: GOVERNOR SCHWARZENEGGER'S AGREEMENT WITH LENDERS**

On November 20, 2007, Governor Schwarzenegger announced an agreement with several loan servicers to streamline the loan modification process for variable-rate borrowers. The agreement consists of three basic principles pursuant to which mortgage lenders will:

1. Reach out proactively to borrowers well before their loans reset;
2. Streamline the processes by which they determine whether borrowers may reasonably be expected to be able to make the reset payment; and
3. For people who are in their homes and making timely payments now at the starter rate, but who cannot make the reset payment, keep them at that starter rate for a sustainable period of time.

The lenders below publicly agreed to these principals and have since been working with the Governor's task force on non-traditional mortgages to reach out to their loan holders to educate them of their options:

1. Carrington Mortgage Services
2. Countrywide Home Loans
3. HSBC Mortgage Services
4. GMAC Mortgage, LLC
5. Home Loan Services, Inc.
6. Homeq Servicing
7. Litton Loan Servicing
8. OCWEN Loan Servicing, LLC
9. Option One Mortgage
10. Wilshire Credit

While this agreement will not help every homeowner, it serves everyone facing foreclosure by striving to streamline basic loan modifications to free up staff at loan servicers to spend more time with other borrowers who need one-on-one attention to work out solutions in more complicated situations.

Governor Schwarzenegger is the first Governor to spur servicers to publicly commit to principles that will help preserve homeownership for tens of thousands of home owners at risk of default due to hybrid ARM sub-prime mortgages resetting to higher interest rates.

